

# Appendix C

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## Procurement

### Synopsis

**T**he passage of the Federal Acquisition Streamlining Act of 1994 has given small firms a significant boost in the federal procurement markets. Fiscal years 1994 and 1995 were banner years for small government contractors. In FY 1995, small businesses won \$66.7 billion in federal contract awards, including \$42.9 billion in direct contract awards from the federal government and an additional \$23.8 billion awarded to small businesses as subcontractors to prime contractors working directly for the federal government.

The \$66.7 billion total represents 33 percent of the \$202.3 billion in contract actions awarded by the federal government in FY 1995, and is an increase from the previous year's 31.4 percent small business share valued at \$61.7 billion. In FY 1993 and FY 1992, the small firm shares were 29.9 percent and 30.8 percent, respectively.

Small minority- and women-owned businesses experienced significant gains of \$1.5 billion (a 16.1 percent increase) and \$508.7 million (a 22.0 percent gain) in contract dollars, respectively, over FY 1994, outperforming small businesses overall and the economy in general. These segments of the small business population have not experienced a decline in their shares of federal contracting awards for several years, even when overall federal contracting levels declined and the total small business share of such awards was declining.

### Introduction

In fiscal year 1995, the federal government awarded \$202.3 billion in contract actions for the purchase of goods and services, an amount equal to approximately 2.8 percent of the 1995 gross domestic product (\$7.3 trillion) of the United States. This amount includes contracting for the purchase of goods and services such as research and development, educational and training courses, paint, tools, toiletries, military weapons, housing, and hardware. Costs associated with payment for these goods and services support federal civilian and military personnel around the world.

The government awarded small businesses \$42.9 billion in direct contract actions—21.2 percent of the total \$202.3 billion in contract actions, including \$31.8 billion in actions of more than \$25,000 and \$11.1 billion in

actions of less than \$25,000 (Table C.1 and Chart C.1).<sup>1</sup> Adding the dollar value of small business subcontracts increases the dollar value by an additional \$23.8 billion, to a total of \$66.7 billion. On this basis, the small business share of total federal procurement in FY 1995 was 33 percent.<sup>2</sup>

## Size of Federal Contract Actions

The federal contracting process involves a relatively small number of very substantial purchases and a large number of smaller awards. Nearly 90 percent (\$180.9 billion) of the FY 1995 federal procurement dollars were awarded in contract actions of \$25,000 or more. These large transactions, however, accounted for only 2 percent of the contract actions executed during the period. Conversely, 98 percent of the total number of contract actions (valued at \$21.4 billion) were issued in individual awards of less than \$25,000.<sup>3</sup>

Small businesses are three times more successful in competing for smaller awards than they are in competing for larger contracts. They were awarded more than one-half (51.9 percent) of total federal dollars in contract actions of less than \$25,000, but just 17.6 percent of the larger awards in excess of \$25,000.<sup>4</sup> The financial returns are, of course, much greater for the small businesses that win larger awards: nearly three-fourths of the total dollar value garnered by small businesses in FY 1995 was in contract actions of \$25,000 or more. The Federal Acquisition Streamlining Act of 1994 (FASA), signed into law on October 13, 1994, simplified and improved the federal contracting process for small businesses. Prior to enactment of FASA, only procurements of less than \$25,000 were routinely set aside for small businesses. Government procurement personnel may now follow a simplified small business acquisition process for purchases between \$2,500 and \$100,000 as long as there is a reasonable expectation of bids being received

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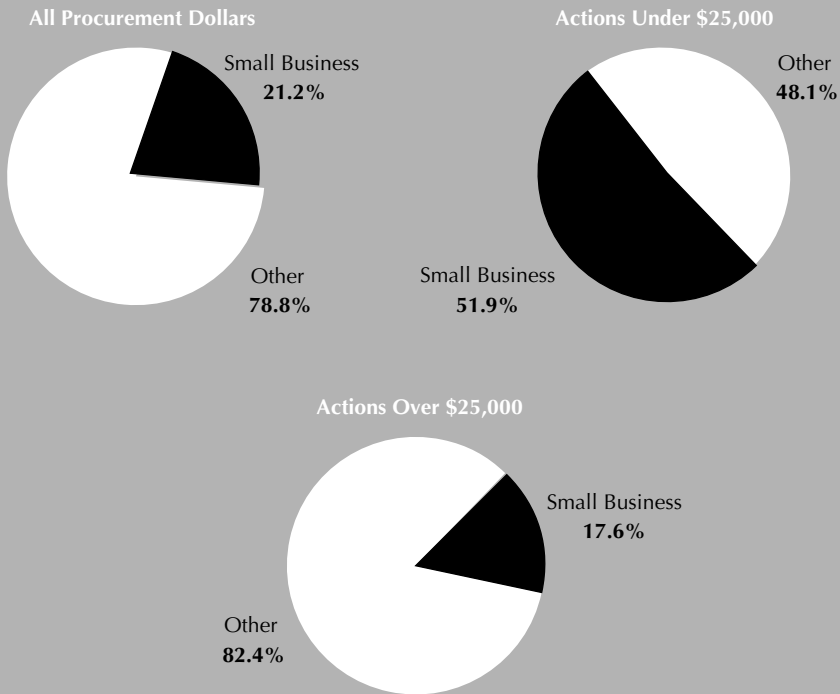
<sup>1</sup>For the purpose of participating in the U. S. Small Business Administration's procurement programs, a business bidding on a government contract is generally regarded as small if it has fewer than 500 employees. For detailed definitions, see SBA's small business size regulations at 13 CFR 121.9, published January 1, 1996.

<sup>2</sup>Data on subcontracting awards are based on federal agency reports required by Public Law 95-507, Section 221(h). Reports and data from the SBA's Office of Procurement Assistance (OPA) published at the end of this report and titled "The Annual Report on Federal Procurement Preference Goals," are also based on federal agency reports provided directly to OPA as required by Public Law 95-507.

<sup>3</sup>The Federal Procurement Data System (FPDS) has been publishing data on contract awards since FY 1979. From FY 1979 to FY 1983, the FPDS published detailed data on all contract awards over \$10,000. Starting in FY 1983, the Department of Defense (DOD) increased its reporting threshold from \$10,000 to \$25,000; for civilian agencies, a similar change began in FY 1986. For FY 1994, the threshold was raised to \$100,000 for civilian agencies and the DOD. Unless otherwise stated, the discussions of federal procurement in this and subsequent sections of this report reflect individual awards of \$25,000 or more.

<sup>4</sup>Of course, more than 60 percent of the dollar value of awards under \$25,000 is subject to a small business preference program, such as a small business set-aside, a combined labor-surplus area small business set-aside, or an award issued under Section 8(a) of the Small Business Act.

**Chart C.1** *Federal Contract Dollars by Size of Contract Action, FY 1995*



Source: Federal Procurement Data System, *The FPDS Federal Procurement Report*, January 29, 1996.

from two or more responsible small businesses whose bids are competitive and commensurate with market expectations.

Based on a sample afforded by two years of experience under FASA, it is apparent that the new provisions have benefited small business contractors. The small business share of prime contract awards has begun to climb after remaining in the 14–16 percent range for 15 years (Table C.2). The 16.3 percent and 17.6 percent small business shares in FY 1994 and FY 1995, respectively, represent record levels of procurement from small firms.

## **Sources of Small Business Awards by Agency/Department**

Nearly 61 percent (\$19.3 billion) of the total \$31.8 billion in prime contract dollars awarded to small businesses in FY 1995 resulted from Department of

Defense (DOD) awards (Table C.3). The next largest source of federal contracting awards to small businesses was the General Services Administration, which accounted for 5.8 percent (\$1.8 billion) of the total dollars awarded to small businesses in FY 1995, followed by the Department of Transportation with 4.8 percent (\$1.5 billion), and the Department of Agriculture with 3.4 percent (\$1.1 billion).

## **Small Business Share of Purchasing Agency Awards**

The small business share of agency procurement budgets is one measure of small businesses' ability to win contracts from the principal procurement centers of the federal government. For example, although the Department of Defense accounted for 60.7 percent (\$19.3 billion) of all contract dollars over \$25,000 awarded to small businesses in FY 1995 (Table C.3), this amounted to only 16.3 percent of DOD's total (Table C.5).

As measured by their share of agency budgets, small businesses were most successful in winning awards from the Smithsonian Institution, garnering 65.8 percent of the agency's total award dollars, followed by the Nuclear Regulatory Commission (57.0 percent), the Securities and Exchange Commission (54.4 percent), the Department of the Interior (47.5 percent) and the United States Information Agency (46.1 percent) (Table C.5). Small businesses won less than 45 percent of prime contract award dollars in all other federal agencies in FY 1995.

## **Product/Service Categories**

The federal contracting markets encompass four major categories of goods and services: services, supplies and equipment, research and development, and construction (Table C.6). The volume of award dollars in each of the four major procurement categories shifted slightly as a percentage of total awards from FY 1994 to FY 1995.

The services category, which includes activities as diverse as architectural and engineering services, data processing, telecommunications, natural and conservation services, administrative and management support services, increased modestly from 39.2 percent in FY 1994 to 39.5 percent in FY 1995. Expenditures for supplies and equipment, the second largest category, decreased slightly, from 36.0 percent to 35.7 percent. Research and development also lost ground slightly, accounting for 15.7 percent of awards in FY 1995, compared with 15.8 percent in FY 1994. Awards for construction grew from 9.0 percent of all awards in FY 1994 to 9.1 percent in FY 1995.

Small businesses experienced an increase in their respective shares in all major categories from FY 1994 to FY 1995. In construction, the small business share jumped from 45.0 percent to 47.7 percent (Table C.7). Small firms increased their shares of service contract awards from 16.2 to 17.8 percent, supplies and equipment from 13.6 to 15.0 percent, and research and development from 10.2 to 11.2 percent.

## Small Business Innovation Research

FY 1995 was the thirteenth year of the Small Business Innovation Research (SBIR) program. Eleven government agencies with extramural R&D obligations over \$100 million participate by setting aside a small percentage of their external R&D budgets for the program.<sup>5</sup> The percentage was 1.25 percent in FY 1992, 1.5 percent in FY 1993 and FY 1994, and 2.0 percent in FY 1995 and FY 1996. The small business percentage increases to 2.5 percent beginning in FY 1997.

The SBIR program has three phases. Phase I is a limited effort, usually for six months, to determine the scientific and technical merit and feasibility of an idea. This phase has been restricted by the new legislation to ideas “that appear to have commercial potential.” The amount that can be awarded in Phase I has been raised from \$50,000 to \$100,000.<sup>6</sup>

Only those small businesses that win Phase I are eligible to apply for Phase II, the detailed research and development phase that lasts about two years and often ends with the development of a prototype product or process. Commercial potential also receives increased emphasis in Phase II. The amount that can be awarded in Phase II has been raised from \$500,000 to \$750,000.

Small businesses conduct Phase III with non-SBIR funds to pursue commercial applications of the R&D funded in Phases I and II. Phase III is the keystone of the program and involves private sector investment and support for introducing the innovation into the marketplace. Phase III may involve non-SBIR R&D or production contracts with a federal agency for products or processes intended for use by the federal government.

In the first 13 years of the program, more than \$5.5 billion has been awarded to small businesses in 37,393 projects (Table C.8). The program has been very competitive: on average, eight proposals have been received for every Phase I award.

Agencies using SBIR contracts include the Departments of Commerce, Defense, Education, and Transportation, the Environmental Protection Agency, the National Aeronautics and Space Administration, the Nuclear Regulatory Commission and, initially, the Department of the Interior. SBIR awards are made in the form of grants at the Departments of Agriculture, Energy, and Health and Human Services, and the National Science Foundation, and thus are not included in any R&D data in other tables in this appendix.

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<sup>5</sup>The Small Business Innovation Research program began as a government-wide program in FY 1983. The most recent extension of the program was authorized in the Small Business Innovation Research Program Reauthorization Act of 1992. This act expanded the size of the program and reauthorized it for an additional seven years, through FY 2000.

<sup>6</sup>The maximum amount that can be awarded may vary by agency.

## Procurement from Minority- and Women-Owned Businesses

Relative to their representation in the business population, small women- and minority-owned businesses still account for a small percentage of total federal award dollars (Chart C.2). The gap is greatest for women-owned businesses, which constitute approximately one-third of the total nonagricultural business population of the United States. Small women-owned businesses obtained only 1.8 percent of the FY 1995 federal contract dollars (Table C.9). Minority-owned businesses make up 9 percent of the business population of the United States; however, small minority-owned businesses won just 5.5 percent of the award dollars.<sup>7</sup>

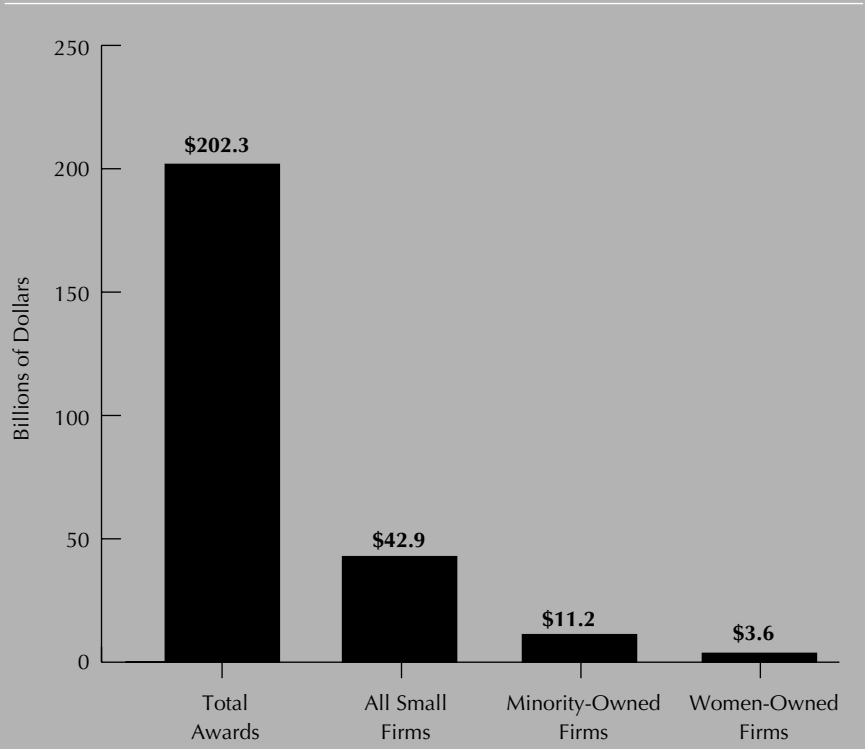
Ninety-four percent of the FY 1995 dollar awards to small minority-owned businesses were in contract actions over \$25,000; small women-owned firms received 78 percent of the value of their contract actions in this category. Conversely, 22 percent of award dollars to small women-owned businesses were in smaller awards of less than \$25,000, compared with only 6 percent of minority-owned contractors' awards.

Federal contract data indicate that, despite their underrepresentation in federal contracting markets, small women- and minority-owned businesses have been particularly successful in increasing their contract dollars over the years, especially in comparison with the small business sector overall (Table C.10). Since FY 1980, small women- and minority-owned businesses each have seen only one year of decline in the value of contract action dollars. In contrast, the value of contract dollars to the small business sector overall has declined in six of the 16 years. Dollar awards to small women- and minority-owned businesses grew consistently, even during the period of declining federal award levels (FY 1986-FY 1989). The last decrease in federal contract awards to small women-owned businesses occurred in FY 1982; to small minority-owned businesses, in FY 1985.

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<sup>7</sup>For additional information, see Harry J. Chmelynski and Jonathan Skolnik, *The Pattern of Federal Procurement From Minority and Women-Owned Small Business*, report no. PB93-182582, prepared by Jack Faucett Associates for the U.S. Small Business Administration, Office of Advocacy, Washington, D. C. (Springfield, Va.: National Technical Information Service, 1993). The Faucett study indicates that women-owned firms, after adjustments were made for comparable procurement/industry characteristics, competed for and won contracts over a five-year period with a value that exceeded the annual rate of growth in federal contracting overall and in the gross domestic product. The latest Bureau of the Census data available indicate that there were 5.9 million women-owned businesses in 1992 and 1.2 million minority-owned businesses in the United States in 1987. Also see U.S. Department of Commerce, Bureau of the Census, *1987 Survey of Minority-Owned Business Enterprises, Summary* (Washington, D. C.: U. S. Government Printing Office, August 1991) and *idem; Women-Owned Business, 1992*, (Washington, D. C.: U.S. Government Printing Office, August 1990).

**Chart C.2** *Federal Contract Actions to Small, Minority-Owned, and Women-Owned Businesses, FY 1995*



Source: Federal Procurement Data System, *The FPDS Federal Procurement Report*, January 29, 1996.

## Procurement Reform

Two recent laws, the Federal Acquisition Streamlining Act of 1994 and the Federal Acquisition Reform Act (FARA) as included in the National Defense Authorization Act of 1996, have had, and will continue to have, a compelling and unprecedented impact on the federal procurement process. The new laws put in place many of the recommendations made in the Vice President's National Performance Review, simplifying and streamlining the procurement process and saving taxpayer money.

FASA repealed or substantially modified more than 225 provisions of law to reduce paperwork burdens, facilitate the acquisition of commercial prod-

ucts, enhance the use of simplified procedures for small purchases, transform the acquisition process to electronic commerce, and improve the efficiency of the laws governing the procurement of goods and services.

On February 10, 1996, President Clinton signed into law the Federal Acquisition Reform Act. It further streamlines the procurement process, implementing commercial practices and making it easier for agencies to buy goods and services.

## Increased Threshold for Small Business Set-Asides

It is estimated that more than 95 percent of all federal contract actions are for amounts under \$100,000. The new simplified and streamlined acquisition procedures exempt contracting agencies and contractors from numerous requirements for such purchases and contracts.

Until passage of FASA, the "small purchase threshold" was \$25,000. The new simplified acquisition threshold for small businesses is \$100,000. This higher threshold expands streamlined processes, making it easier for contractors to do business with the government as well as making it simpler and more efficient for agencies to solicit and process procurements.

The reform legislation requires that all federal purchases between \$2,500 and \$100,000 be reserved for small businesses, unless the contracting officer is unable to obtain offers from two or more small businesses that are competitive with price, quality, and delivery dates.

Also under FASA, all federal purchases of \$2,500 or less are now considered "micro-purchases," no longer set aside for small businesses. For such micro-purchases, the government agency will rely on the judgment of its contracting officers to make off-the-shelf purchases, just like any consumer. This is a significant change in that small businesses will no longer have exclusive access to this small-purchase market; however, the extreme simplicity associated with such small government buys may make micro-purchases attractive for small businesses to target and aggressively pursue.

## The Federal Acquisition Computer Network

FASA also established the Federal Acquisition Computer Network (FACNET), which will require the government to change its acquisition process from one driven by paperwork to an expedited process based on electronic data interchange.

The FACNET system is intended to provide a single face to industry and a common governmentwide electronic procurement process. A fully implemented electronic commerce system should greatly simplify purchasing procedures, promote greater customer service and increase cost-effectiveness. The FACNET system will open many new markets to competitive small businesses, even if those businesses are located in remote or rural areas. For example, under the new system, a small engineering business in Nashua, New Hampshire, can learn about and bid on a small Pentagon-based defense con-



tract as quickly and easily as a business in Arlington, Virginia, without sending a single piece of paper through the mail.

## Acquisition of Commercial Items

FASA and FARA establish a statutory preference for commercial items. The laws expand the scope of products and services that qualify for treatment as commercial items and strongly encourage agencies to buy commercially recognized end-items and components. The new government emphasis on acquiring items from commercial sources to the maximum extent practicable gives small businesses opportunities to satisfy federal needs with “off-the-shelf” products and services. The government, like any consumer, can now purchase materials by shopping around for the best price from the best source and purchasing only as many as it needs — so a \$10 hammer will cost \$10.

## New Opportunities for Women-Owned Businesses

FASA establishes a new 5 percent governmentwide procurement goal for women-owned businesses. Women-owned businesses are specifically incorporated into the procurement preference goaling process established by statute for all government agencies. Each federal agency is required to establish a goal for participation of small business concerns owned and controlled by women at not less than 5 percent of the total value of the agency’s prime and subcontract awards for the fiscal year.

Although the new legislation makes it very clear that government agencies are expected to expand procurement opportunities for women, it does not require that contracts be set aside exclusively for women. Agencies will, however, have a mandate to look for qualified women-owned businesses when filling contractual needs. Business ventures owned by women should capitalize on this opportunity and aggressively market their products and services to the federal government.

## Modified Source Selection Requirements

FARA, although retaining the Competition in Contracting Act requirement for full and open competition, provides contracting officers more latitude in implementing competition requirements. Contracting officers can use their discretion in deciding how most efficiently to fulfill the government’s procurement requirements. As a result, contracting officers have greater authority to limit competition and, in some circumstances, to use simplified procedures that do not require full and open competition.

## Conclusion

Fiscal years 1994 and 1995 were banner years for small government contractors. In FY 1995, small firms won \$66.7 billion in federal contracts or 33 percent of the total contracts awarded, up from \$61.7 billion or 31.4 percent of

the total awarded in 1994. The 1994 total was an increase from the FY 1993 share of 29.9 percent. It appears that the Federal Acquisition Streamlining Act of 1994 is having a significant effect in federal procurement markets. The new government emphasis on acquiring "off-the-shelf" items from commercial sources is giving small businesses new opportunities to satisfy government needs. It will be up to small firms to make the new law work for them, and it appears that many small firms are taking that approach.

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**Table C.1** *Total Federal Prime Contract Actions, FY 1995*  
(Thousands of Dollars)

	Total	Small Business	Small Business Share (Percent)
<b>Total</b>	<b>202,301,613</b>	<b>42,929,278</b>	<b>21.2</b>
Actions Under \$25,000	21,449,638	11,122,015	51.9
Actions Over \$25,000*	180,851,975	31,807,263	17.6

\*Actions over \$25,000 are reported individually.

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, January 29, 1996).

**Table C.2** *Federal Contract Actions Over \$25,000, FY 1979–FY 1995*

Fiscal Year	Thousands of Dollars		Small Business Share (Percent)
	Total	Small Business	
1995	180,851,975	31,807,263	17.6
1994	174,687,951	28,423,033	16.3
1993	178,336,979	27,947,441	15.7
1992	177,786,381	28,229,749	15.9
1991	189,602,220	28,847,358	15.2
1990	171,300,890	25,401,626	14.8
1989	168,694,981	23,716,171	14.1
1988	174,097,585	25,671,318	14.7
1987	181,538,592	27,927,719	15.4
1986	183,650,227	28,780,092	15.7
1985	187,985,466	26,702,695	14.2
1984	167,933,486	25,506,023	15.2
1983	155,588,106	22,080,024	14.2
1982	152,397,884	23,558,563	15.5
1981	128,864,744	20,068,789	15.6
1980	100,893,385	15,326,121	15.2
1979	88,293,438	14,012,838	15.9

Note: Starting in FY 1983, the dollar threshold for reporting detailed information on DOD procurement actions increased from \$10,000 to \$25,000. For civilian agencies, a similar change was made starting in FY 1986.

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, February 7, 1995 and January 29, 1996); and idem, "Special Report S89522C" (prepared for the U.S. Small Business Administration, Office of Advocacy, June 12, 1989).

**Table C.3** *Distribution of Small Business Share of Dollars in Contract Actions Over \$25,000 by Procuring Agency Source, FY 1995*

	Small Business (Thousands of Dollars)	Small Business Distribution (Percent)
<b>Total, All Agencies</b>	<b>31,807,263</b>	<b>100.0</b>
Department of Defense	19,300,799	60.7
General Services Administration	1,842,670	5.8
Department of Transportation	1,536,321	4.8
Department of Agriculture	1,065,595	3.4
Department of Health & Human Services	1,043,057	3.3
National Aeronautics and Space Administration	1,031,819	3.2
Department of Veterans Affairs	950,658	3.0
Tennessee Valley Authority	941,405	3.0
Department of the Interior	715,254	2.2
Department of Justice	656,126	2.1
Department of the Treasury	517,373	1.6
Department of Energy	486,278	1.5
Department of Commerce	325,994	1.0
Agency for International Development	271,664	0.9
Department of State	260,345	0.8
Environmental Protection Agency	214,465	0.7
Department of Labor	170,928	0.5
Federal Emergency Management Agency	71,146	0.2
Department of Education	66,941	0.2
Social Security Administration	66,648	0.2
Smithsonian Institution	66,323	0.2
Nuclear Regulatory Commission	41,218	0.1
United States Information Agency	32,947	0.1
Office of Personnel Management	27,683	*
Department of Housing & Urban Development	26,710	*
Securities and Exchange Commission	12,829	*
National Science Foundation	9,592	*
Federal Energy Regulatory Commission	8,665	*
National Archives and Records Administration	5,020	*
Executive Office of the President	4,864	*
National Labor Relations Board	4,104	*
Small Business Administration	3,738	*
Railroad Retirement Board	3,235	*
Corporation for National and Community Service	3,186	*
Federal Trade Commission	3,126	*
Peace Corps	2,416	*
U.S. Trade & Development Agency	2,191	*
National Gallery of Art	1,826	*
U.S. Soldiers & Airmen's Home	1,734	*
National Mediation Board	1,615	*
Equal Employment Opportunity Commission	1,580	*
Federal Communications Commission	1,511	*
Commodity Futures Trading Commission	1,506	*
U.S. Arms Control & Disarmament Agency	1,221	*
Interstate Commerce Commission	780	*
Consumer Product Safety Commission	588	*
National Foundation on the Arts	485	*
International Trade Commission	451	*
Federal Election Commission	288	*
Pennsylvania Avenue Development Corporation	206	*
National Foundation on the Humanities	77	*
Selective Service System	35	*
Federal Maritime Commission	27	*

\*Less than 0.05 percent.

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, January 29, 1996).

**Table C.4** *Procurement Dollars in Contract Actions Over \$25,000 by Major Agency Source, FY 1979–FY 1995*

Fiscal Year	Total (Billions of Dollars)	Percent of Total			
		DOD	DOE	NASA	Other
1995	180.9	65.5	9.3	6.5	18.7
1994	174.7	67.4	10.2	6.5	15.9
1993	178.3	68.1	10.3	6.6	15.0
1992	177.8	67.7	10.4	6.8	15.1
1991	189.6	71.1	9.7	6.2	13.0
1990	171.3	74.9	9.3	6.7	9.1
1989	168.7	75.1	10.4	5.8	8.7
1988	174.1	77.5	8.3	4.8	9.4
1987	181.5	78.6	7.7	4.2	9.5
1986	183.7	79.6	7.3	4.0	9.1
1985	188.0	80.1	7.7	4.0	8.2
1984	167.9	79.3	7.8	3.9	9.0
1983	155.6	79.2	8.3	4.0	8.5
1982	152.4	80.0	9.1	3.5	7.4
1981	128.9	75.4	9.1	3.7	11.8
1980	100.9	75.7	8.4	4.3	11.6
1979	88.3	72.7	10.4	4.2	12.7

Note: Starting in FY 1983, the dollar threshold for reporting detailed information on DOD procurement actions increased from \$10,000 to \$25,000. For civilian agencies, a similar change was made starting in FY 1986.

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, February 7, 1995 and January 29, 1996); and idem, "Special Report 87458A" (prepared for the U.S. Small Business Administration, Office of Advocacy, May 19, 1988).

**Table C.5** *Small Business Share of Dollars in Contract Actions Over \$25,000 by Major Procuring Agency, Fiscal Years 1994 and 1995*

	FY 1995 (Thousands of Dollars)		Small Business Share (Percent)	
	Total	Small Business	1994	1995
<b>Total, All Agencies <sup>1</sup></b>	<b>180,851,975</b>	<b>31,807,263</b>	<b>16.3</b>	<b>17.6</b>
Department of Agriculture	2,472,968	1,065,595	40.8	43.1
Department of Commerce	805,303	325,994	35.1	40.5
Department of Defense	118,430,244	19,300,799	15.8	16.3
Department of Education	387,752	66,941	16.0	17.3
Department of Energy	16,882,560	486,278	2.8	2.9
Department of Health and Human Services	2,951,778	1,043,057	21.2	35.3
Department of Housing and Urban Development	213,185	26,710	15.5	12.5
Department of the Interior	1,506,552	715,254	45.6	47.5
Department of Justice	1,863,581	656,126	26.1	35.2
Department of Labor	800,718	170,928	24.1	21.3
Department of State	740,334	260,345	35.5	35.2
Department of Transportation	3,559,964	1,536,321	38.6	43.2
Department of the Treasury	1,884,154	517,373	30.3	27.5
Department of Veterans Affairs	2,605,312	950,658	25.5	36.5
Environmental Protection Agency	927,060	214,465	23.9	23.1
Equal Employment Opportunity Commission	30,925	1,580	2.7	5.1



Federal Emergency Management Agency	251,180	71,146	42.5	28.3
Federal Energy Regulatory Commission	26,242	8,665	22.1	33.0
General Services Administration	5,362,074	1,842,670	30.5	34.4
National Aeronautics and Space Administration	11,740,715	1,031,819	8.7	8.8
National Archives and Records Administration	17,889	5,020	49.3	28.1
National Science Foundation	172,288	9,592	10.0	5.6
Nuclear Regulatory Commission	72,276	41,218	53.6	57.0
Office of Personnel Management	65,561	27,683	47.3	42.2
Securities and Exchange Commission	23,585	12,829	47.9	54.4
Smithsonian Institution	100,838	66,323	64.8	65.8
Social Security Administration	204,530	66,648	<sup>2</sup>	32.6
Tennessee Valley Authority <sup>2</sup>	5,293,855	941,405	14.0	17.8
U.S. Information Agency	71,603	32,947	27.0	46.1
U.S. International Development Cooperation Agency	1,300,448	271,664	13.8	20.9

NA = Not available.

<sup>1</sup>A total of 64 agencies are represented in the total dollars for FY 1995; the 29 organizations listed are those agencies that awarded at least \$15 million in individual contract actions over \$25,000 in FY 1995.

<sup>2</sup>The Federal Procurement Data System did not publish data separately for the Social Security Administration prior to FY 1995.

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, February 7, 1995 and January 29, 1996).

**Table C.6** *Distribution of Prime Contract Actions Over \$25,000 by Major Product or Service Category, FY 1994 and FY 1995 (Percent)*

Product/Service Category	FY 1994	FY 1995
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
Research and Development	15.8	15.7
Construction	9.0	9.1
Services	39.2	39.5
Supplies and Equipment	36.0	35.7

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, February 7, 1995 and January 29, 1996).

**Table C.7** *Small Business Share of Dollars in Contract Actions Over \$25,000 by Major Product or Service Category, FY 1994 and FY 1995*

Product/Service Category	FY 1994		FY 1995	
	Thousands of Dollars	Small Business Share (Percent)	Thousands of Dollars	Small Business Share (Percent)
<b>Research and Development</b>				
Total	27,199,193		27,794,302	
Small Business	2,777,191	10.2	3,115,031	11.2
<b>Construction</b>				
Total	14,547,164		14,780,000	
Small Business	6,544,348	45.0	7,053,464	47.7
<b>Services</b>				
Total	64,805,252		67,621,190	
Small Business	10,547,834	16.2	12,023,639	17.8
<b>Supplies and Equipment</b>				
Total	59,122,224		59,858,589	
Small Business	8,057,564	13.6	8,972,398	15.0

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, February 7, 1995 and January 29, 1996).

**Table C.8** *Small Business Innovation Research Program, FY 1983–FY 1994*

Fiscal Year	Phase I		Phase II		Total
	Number of Proposals	Number of Awards	Number of Proposals	Number of Awards	Awards in Thousands of Dollars
<b>Total</b>	<b>218,165</b>	<b>27,909</b>	<b>22,324</b>	<b>9,484</b>	<b>5,553.7</b>
1995	20,185	3,085	2,856	1,263	864.5
1994	25,588	3,102	2,244	928	717.6
1993	23,640	2,898	2,532	1,141	698.0
1992	19,579	2,559	2,311	916	508.4
1991	20,920	2,553	1,734	788	483.1
1990	20,957	2,346	2,019	837	460.7
1989	17,233	2,137	1,776	749	431.9
1988	17,039	2,013	1,899	711	389.1
1987	14,723	2,189	2,390	768	350.5
1986	12,449	1,945	1,112	564	297.9
1985	9,086	1,397	765	407	199.1
1984	7,955	999	559	338	108.4
1983	8,814	686	127	74	44.5

Note: Phase I evaluates the scientific and technical merit and feasibility of an idea. Phase II expands on the results and further pursues the development of Phase I. Phase III commercializes the results of Phase II and requires the use of private or non-SBIR federal funding. The Phase II proposals and awards in FY 1983 were pursuant to predecessor programs that qualified as SBIR funding.

Source: U.S. Small Business Administration, Office of Innovation, Research and Technology (annual reports for FY 1983–FY 1994).

**Table C.9** *Total Federal Contract Actions to Small, Women-Owned, and Minority-Owned Businesses, FY 1995 (Thousands of Dollars)*

	Total	Actions Over \$25,000	Actions of \$25,000 Or Less
<b>Total</b>	<b>202,301,613</b>	<b>180,851,975</b>	<b>21,449,638</b>
Small Business	42,929,278	31,807,263	11,122,015
Percent of Total	21.2	17.6	51.9
Women-Owned Business	3,621,427	2,820,248	801,179
Percent of Total	1.8	1.6	3.7
Minority-Owned Business	11,209,525	10,519,469	690,056
Percent of Total	5.5	5.8	3.2

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, January 29, 1996).

**Table C.10** *Annual Change in the Dollar Volume of Contract Actions Over \$25,000 Awarded to Small, Women-Owned, and Minority-Owned Businesses, FY 1980–FY 1995 (Thousands of Dollars)*

	Total, All Business			Small Business			Women-Owned Business			Minority-Owned Business		
	Total (Thousands of Dollars)	Change From Prior Year		Total (Thousands of Dollars)	Change From Prior Year		Total (Thousands of Dollars)	Change From Prior Year		Total (Thousands of Dollars)	Change From Prior Year	
		Thousands of Dollars	Percent		Thousands of Dollars	Percent		Thousands of Dollars	Percent		Thousands of Dollars	Percent
1995	180,851,975	6,164,024	3.6	31,807,263	3,384,230	11.9	2,820,248	508,700	22.0	10,519,469	1,459,981	16.1
1994	174,687,951	−3,649,028	−2.0	28,423,033	475,592	1.7	2,311,548	262,828	12.8	9,059,488	255,468	2.9
1993	178,336,979	550,598	0.3	27,947,441	−282,302	−1.0	2,048,720	56,155	2.8	8,804,020	1,007,913	12.9
1992	177,786,381	−11,815,839	−6.2	28,229,749	−617,609	−2.1	1,992,565	227,399	12.9	7,796,107	1,309,818	20.2
1991	189,602,220	18,301,330	10.7	28,847,358	3,445,732	11.9	1,765,166	287,272	19.4	6,486,289	796,229	14.0
1990	171,300,890	2,605,909	1.5	25,401,626	1,685,455	7.1	1,477,894	74,955	5.3	5,690,060	356,172	6.7
1989	168,694,981	−5,402,604	−3.1	23,716,171	−1,955,147	−7.6	1,402,939	75,215	5.7	5,333,888	141,382	2.7
1988	174,097,585	−7,441,007	−4.1	25,671,318	−2,256,401	−8.1	1,327,724	74,839	6.0	5,192,506	343,381	7.1
1987	181,538,592	−2,111,635	−1.1	27,927,719	−852,373	−3.0	1,252,885	56,034	4.7	4,849,125	563,200	13.1
1986	183,650,227	−4,335,239	−2.3	28,780,092	2,077,397	7.8	1,196,851	102,643	9.4	4,285,925	401,286	10.3
1985	187,985,466	20,051,980	11.9	26,702,695	1,196,672	4.7	1,094,208	238,077	27.8	3,884,639	−119,500	−3.0
1984	167,933,486	12,345,380	7.9	25,506,023	3,425,999	15.5	856,131	244,755	40.0	4,004,139	817,048	25.6
1983	155,588,106	3,190,222	2.1	22,080,024	−1,478,539	−6.3	611,376	60,775	11.0	3,187,091	328,180	11.5
1982	152,397,884	23,533,140	18.3	23,558,563	3,489,774	17.4	550,601	−534,772	−49.3	2,858,911	223,903	8.5
1981	128,864,744	27,971,359	27.7	20,068,789	4,742,668	30.9	1,085,373	297,844	37.8	2,635,008	813,087	44.6
1980	100,893,385	—	—	15,326,121	—	—	787,529	—	—	1,821,921	—	—

Source: Federal Procurement Data System, "Special Report S89522C" (prepared for the U.S. Small Business Administration, Office of Advocacy, June 12, 1989); and idem, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, July 10, 1990, March 13, 1991, February 11, 1993, February 3, 1994, February 7, 1995 and January 29, 1996).